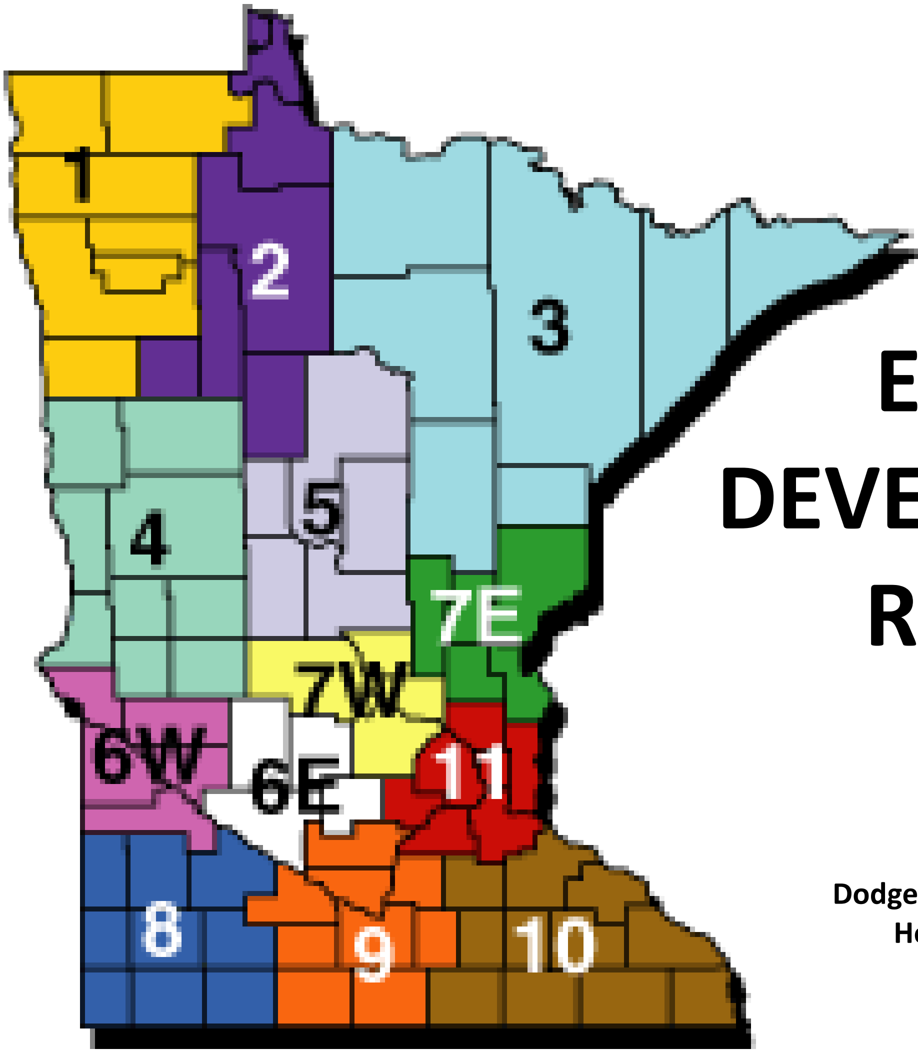


# ECONOMIC DEVELOPMENT REGION 10: Southeast

***Covers counties:***

**Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona**

# 2015 REGIONAL PROFILE

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**Mark Schultz**
**Regional Analyst, Southeast and South Central Minnesota**
*Minnesota Department of Employment and Economic Development*
Winona WorkForce Center
1250 Homer Road, Suite 200
Winona, MN 55987
Office: 507-205-6068
E-mail: mark.schultz@state.mn.us
Web: http://mn.gov/deed/data/

# DEMOGRAPHICS

## POPULATION CHANGE, 2000-2014

Economic Development Region 10, which is also known as Southeast Minnesota, is an 11-county region located in the southeast corner of the state, bordering the Twin Cities metro area, Wisconsin, and Iowa. According to population data from the Census Bureau, Southeast was home to 500,923 people in 2014, accounting for 9.2 percent of the state's total population. That made it the fifth largest of 13 economic development regions (EDRs) in the state. One of 9 EDR's in the state that saw a population increase from 2000 to 2014, Southeast gained 40,821 residents, an 8.9 percent increase, as compared to a 10.9 percent increase statewide. Home to Rochester, Olmsted County is the largest and fastest growing county in the region with 150,287 people, and was the eighth largest and eighth fastest growing county in the state.

**Table 1. Population Change 2000-2014**

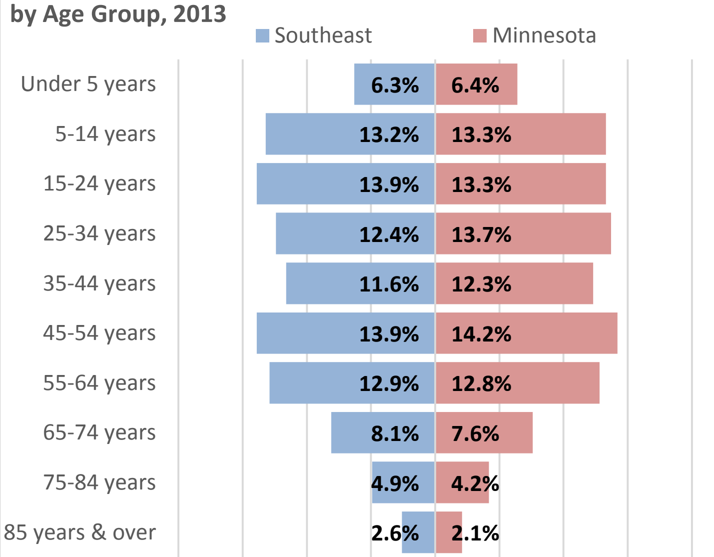
| | 2000 Population | 2014 Estimates | 2000-2014 Change Number | 2000-2014 Change Percent |
|---|---|---|---|---|
| **Southeast Minnesota** | **460,102** | **500,923** | ***+40,821*** | ***+8.9%*** |
| Dodge Co. | 17,731 | 20,353 | *+2,622* | *+14.8%* |
| Fillmore Co. | 21,122 | 20,776 | *-346* | *-1.6%* |
| Freeborn Co. | 32,584 | 30,840 | *-1,744* | *-5.4%* |
| Goodhue Co. | 44,127 | 46,423 | *+2,296* | *+5.2%* |
| Houston Co. | 19,718 | 18,738 | *-980* | *-5.0%* |
| Mower Co. | 38,603 | 39,323 | *+720* | *+1.9%* |
| Olmsted Co. | 124,277 | 150,287 | *+26,010* | *+20.9%* |
| Rice Co. | 56,665 | 65,151 | *+8,486* | *+15.0%* |
| Steele Co. | 33,680 | 36,573 | *+2,893* | *+8.6%* |
| Wabasha Co. | 21,610 | 21,362 | *-248* | *-1.1%* |
| Winona Co. | 49,985 | 51,097 | *+1,112* | *+2.2%* |
| **State of Minnesota** | **4,919,479** | **5,457,173** | ***+537,694*** | ***+10.9%*** |

*Source: U.S. Census Bureau, Population Estimates*

## POPULATION BY AGE GROUP, 2000-2013

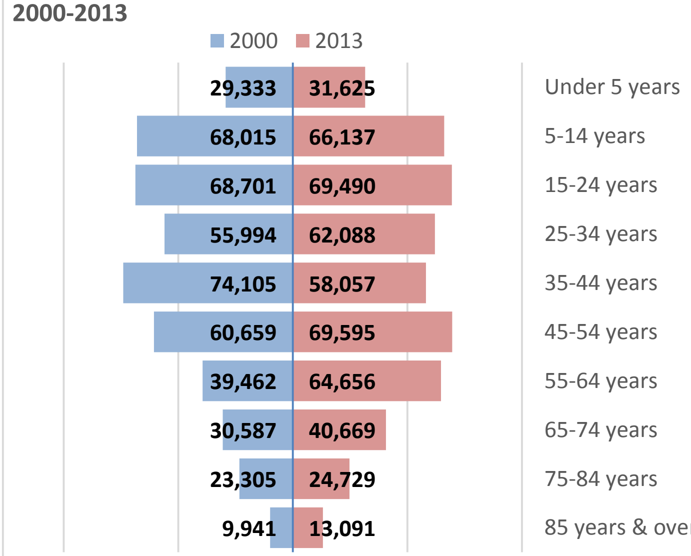
Region 10 has a slightly older population than the rest of the state, with 15.6 percent of the population aged 65 and over, compared to 13.9 percent statewide. Consequently, Region 10 had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years." With the presence of several postsecondary educational institutions in the region, there is a slightly higher percentage of people aged 15 to 24 in Southeast Minnesota compared to the state. More than one quarter of the region's population was part of the Baby Boom generation, which is creating a significant shift in the population over time. While the number of younger residents is growing slowly, the number of residents aged 45 years and over is rapidly increasing (see Figure 1 and Figure 2).

**Figure 1. Percentage of Population by Age Group, 2013**




*Source: U.S. Census Bureau, American Community Survey*

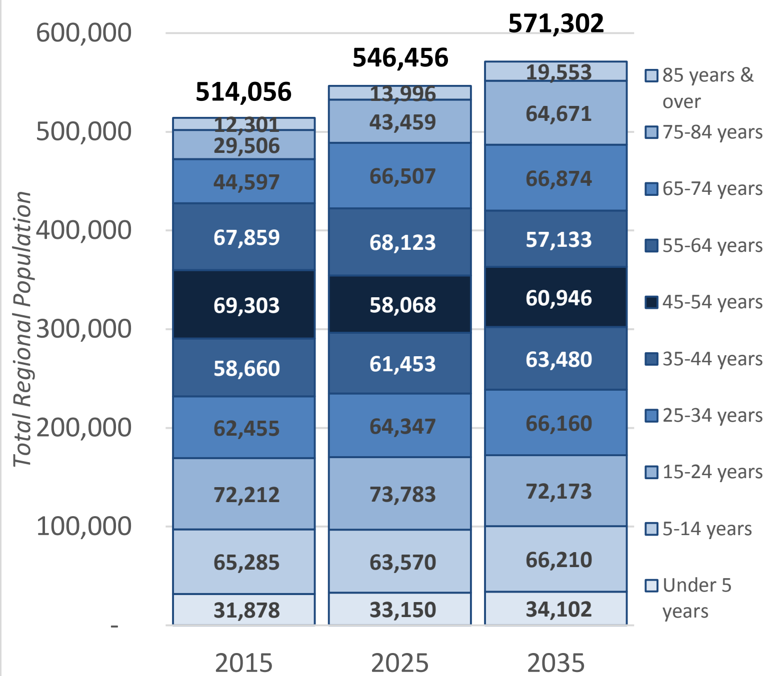
**Figure 2. Region 10 Population Pyramid, 2000-2013**




*Source: U.S. Census Bureau, American Community Survey*

## POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Figure 3. Region 10 Population Projections by Age Group, 2015-2035




*Source: Minnesota State Demographic Center*

Though the starting projections for 2015 are high compared to 2014 estimates, Region 10 is projected to enjoy a steady increase in the next 20 years as well. According to population projections from the State Demographic Center, Region 10 is expected to gain about 57,200 net new residents from 2015 to 2035, an 11.1 percent increase (see Figure 3). In comparison, the state is projected to grow 10.8 percent.

However, much of this population growth is expected to be in the older age groups. Region 10 is projected to add nearly 65,000 people aged 65 years and over, a 75 percent rise. The region is also expected to see a slight gain in many younger age groups, with a jump of about 8,000 25 to 44 year olds, and a jump of about 2,200 children under 5 years of age. In contrast, Region 10 is expected to lose about 19,000 people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

## POPULATION BY RACE, 2013

Region 10's population is less diverse than the state's, but is becoming more diverse over time. In 2013, nearly 92 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region had a much smaller percentage of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of Some Other Race or Two or More Races. However, at 5.1 percent, Region 10 had a higher percentage of people reporting Hispanic or Latino origin than the State, and saw huge increases in all race categories except Some Other Race over the past decade (see Table 2).

| **Table 2. Race and Hispanic Origin, 2013** | Region 10 - Southeast | | | Minnesota | |
|---|---|---|---|---|---|
| | Number | Percent | *Change from 2000-2013* | Percent | *Change from 2000-2013* |
| **Total** | **496,621** | **100.0%** | ***+7.9%*** | **100.0%** | ***+8.7%*** |
| White | 455,925 | 91.8% | *+5.0%* | 85.6% | *+4.0%* |
| Black or African American | 12,672 | 2.6% | *+127.3%* | 5.2% | *+63.0%* |
| American Indian & Alaska Native | 1,460 | 0.3% | *+3.9%* | 1.1% | *+4.6%* |
| Asian & Other Pac. Islander | 12,193 | 2.5% | *+39.6%* | 4.2% | *+56.9%* |
| Some Other Race | 5,403 | 1.1% | *-3.4%* | 1.4% | *+17.4%* |
| Two or More Races | 8,968 | 1.8% | *+89.0%* | 2.5% | *+59.6%* |
| Hispanic or Latino | 25,350 | 5.1% | *+90.3%* | 4.8% | *+79.3%* |

*Source: U.S. Census Bureau, American Community Survey*

Olmsted County had the most diverse population in the region, including 5.4 percent of the population that is Asian and 4.9 percent of the population that is Black or African American, which are the largest percentages for any county outside the Twin Cities. Rice, Mower, and Steele County also had relatively diverse populations, with Mower, Freeborn, Rice and Steele all having higher percentages of Hispanic or Latino residents than the state.

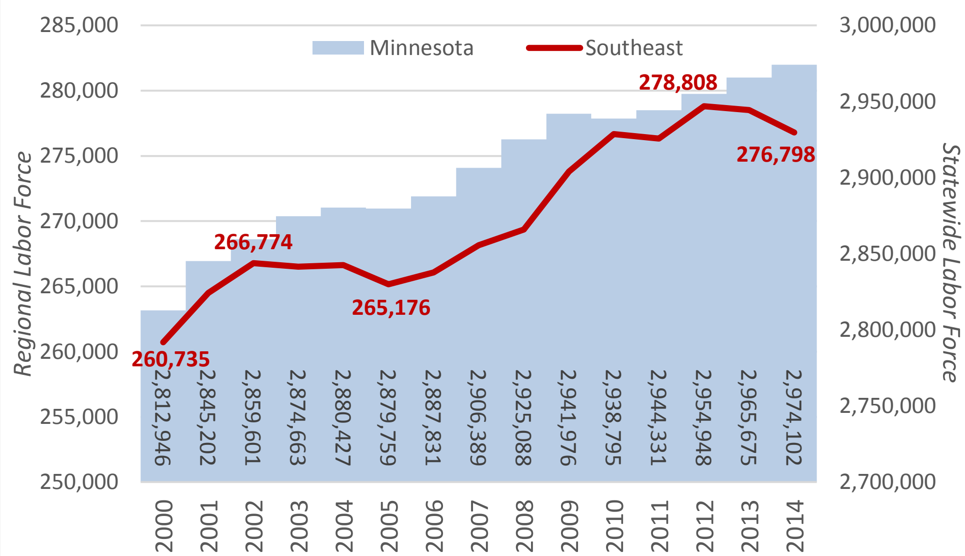
# LABOR FORCE

## LABOR FORCE CHANGE, 2000-2014

According to data from DEED's Local Area Unemployment Statistics program, Region 10 had nearly 277,000 available workers in 2014. In line with the region's overall population gain, Southeast added over 16,000 workers over the last 14 years, from 260,735 available workers in 2000 to 276,798 in 2014. However, the labor force peaked in 2012 at 278,808 workers and has lost about 2,000 workers since then. In contrast, the state was gaining new workers over the last decade and a half, regardless of economic conditions, peaking in 2014 (see Figure 4).

As the economy has recovered, the labor market in the region has been getting tighter. Four of the 11 counties reported fewer than 500 unemployed workers, and the entire region had about 10,500 unemployed workers in 2014.

Figure 4. Annual Labor Force Estimates, 2000-2014



Source: DEED Local Area Unemployment Statistics (LAUS)

## LABOR FORCE PROJECTIONS, 2015-2025

If Region 10's population changes at the projected rates shown in Figure 3 above, the region would be expected to see an increase in the labor force over the next decade as well. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a surprisingly small increase in workforce numbers.

Table 3. Region 10 Labor Force Projections

| | 2015 Labor Force Projection | 2025 Labor Force Projection | 2015-2025 Change | |
|---|---|---|---|---|
| | | | Numeric | Percent |
| 16 to 19 years | 17,164 | 17,127 | *-37* | *-0.2%* |
| 20 to 24 years | 27,978 | 29,336 | *+1,358* | *+4.9%* |
| 25 to 44 years | 106,581 | 110,704 | *+4,123* | *+3.9%* |
| 45 to 54 years | 62,303 | 52,203 | *-10,100* | *-16.2%* |
| 55 to 64 years | 50,826 | 51,024 | *+198* | *+0.4%* |
| 65 to 74 years | 12,666 | 18,888 | *+6,222* | *+49.1%* |
| 75 years & over | 2,885 | 3,964 | *+1,079* | *+37.4%* |
| **Total Labor Force** | **280,403** | **283,246** | ***+2,843*** | ***+1.0%*** |

*Source: Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates*

In addition to the overall increase, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against a huge decline in the number of workers aged 45 to 54 years (see Table 3). However, the region is still expected to see gains in younger workers from 20 to 44 years. This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

## EMPLOYMENT CHARACTERISTICS, 2013

With 70.1 percent of the population aged 16 years and over in the labor force, Region 10 had slightly lower labor force participation rates than the state's 70.3 percent. However, Region 10 actually had higher labor force participation rates for every age group except 25 to 44 year olds. The overall rate was lower because a higher percentage of Region 10's labor force was older (see Table 4).

Region 10 had a less diverse workforce than the state; and also had smaller unemployment rate disparities for minority groups. There were nearly 14,500 veterans in the labor force in the region, with much higher labor force participation rates and lower unemployment rates. Region 10 also had about 12,000 workers with disabilities. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

**Table 4. Employment Characteristics, 2013**

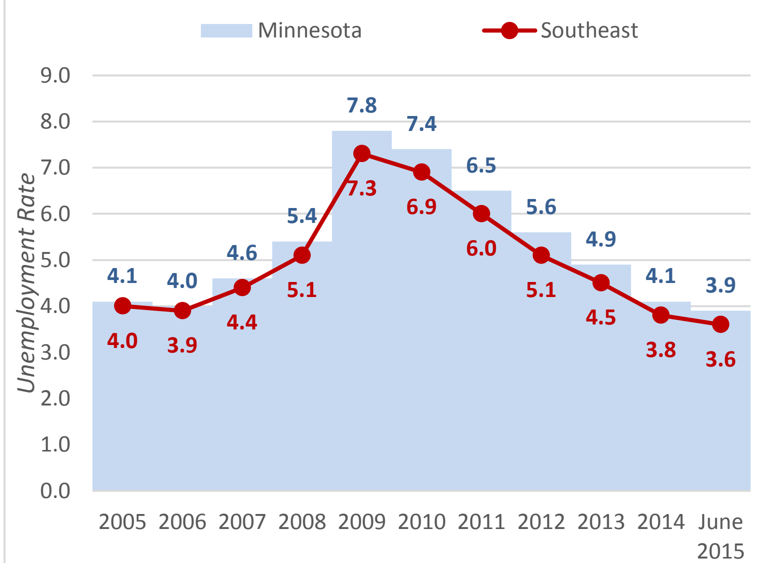
| | Region 10 | | | Minnesota | |
|---|---|---|---|---|---|
| Age Group | Labor Force | Labor Force Partic. Rate | Unemp. Rate | Labor Force Partic. Rate | Unemp. Rate |
| Total Labor Force | 274,782 | 70.1% | 5.9% | 70.3% | 7.1% |
| 16 to 19 years | 16,146 | 56.2% | 18.5% | 50.9% | 20.2% |
| 20 to 24 years | 27,917 | 82.2% | 8.9% | 81.6% | 11.2% |
| 25 to 44 years | 106,161 | 88.0% | 5.6% | 88.2% | 6.3% |
| 45 to 54 years | 65,425 | 89.9% | 4.1% | 87.5% | 5.6% |
| 55 to 64 years | 45,817 | 74.9% | 3.5% | 71.7% | 5.5% |
| 65 to 74 years | 10,706 | 28.4% | 3.7% | 26.5% | 4.5% |
| 75 years & over | 2,550 | 6.9% | 1.8% | 5.8% | 4.6% |
| Employment Characteristics by Race & Hispanic Origin | | | | | |
| White alone | 256,563 | 70.3% | 5.5% | 70.5% | 6.3% |
| Black or African American | 4,958 | 56.7% | 17.2% | 67.6% | 17.5% |
| American Indian & Alaska Native | 602 | 55.5% | 11.3% | 60.1% | 18.8% |
| Asian | 6,726 | 72.5% | 5.2% | 69.8% | 8.5% |
| Some Other Race | 2,912 | 79.0% | 9.4% | 77.6% | 10.9% |
| Two or More Races | 2,862 | 69.5% | 12.6% | 69.0% | 14.4% |
| Hispanic or Latino | 11,158 | 71.7% | 12.2% | 75.1% | 10.4% |
| Employment Characteristics by Veteran Status | | | | | |
| Veterans, 18 to 64 years | 14,469 | 80.4% | 5.3% | 68.0% | 8.5% |
| Employment Characteristics by Disability | | | | | |
| With Any Disability | 11,939 | 56.8% | 12.2% | 51.6% | 14.6% |
| Employment Characteristics by Educational Attainment | | | | | |
| Population 25 to 64 years | 217,437 | 85.4% | 4.7% | 84.2% | 5.9% |
| Less than H.S. Diploma | 11,002 | 69.2% | 15.9% | 66.9% | 14.6% |
| H.S. Diploma or Equivalent | 56,919 | 83.3% | 6.2% | 79.4% | 8.0% |
| Some College or Assoc. Degree | 80,434 | 86.4% | 4.3% | 85.6% | 6.1% |
| Bachelor's Degree or Higher | 69,062 | 89.4% | 2.1% | 89.1% | 3.4% |

*Source: [2009-2013 American Community Survey, 5-Year Estimates]*

## UNEMPLOYMENT RATE, 2005-2015

Region 10 has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to the [Local Area Unemployment Statistics] program, Southeast Minnesota's unemployment rate hovered just under the state rate from 2005 to 2008, then dropped 0.5 percent below the state rate even while climbing as high as 7.3 percent during the recession. Since then, Region 10's rate has fallen back to prerecession levels, ending at 3.6 percent in June of 2015 (see Figure 5).

**Figure 5. Unemployment Rates, 2005-2015**




*Source: DEED Local Area Unemployment Statistics (LAUS)*

## COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the U.S. Census Bureau, the vast majority – about 77.5 percent – of workers who live in the region also work within the region. However, Southeast Minnesota is a net exporter of labor, having more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 195,423 workers both lived and worked in Region 10 in 2013, while another 42,420 workers drove into the region for work, compared to 56,895 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

| Table 5. Region 10 Inflow/Outflow Job Counts (All Jobs), 2013 | 2013 | |
|---|---|---|
| | Count | Share |
| Employed in the Selection Area | 237,843 | 100.0% |
| Employed in the Selection Area but Living Outside | 42,420 | 17.8% |
| Employed and Living in the Selection Area | 195,423 | 82.2% |
| | | |
| Living in the Selection Area | 252,318 | 100.0% |
| Living in the Selection Area but Employed Outside | 56,895 | 22.5% |
| Living and Employed in the Selection Area | 195,423 | 77.5% |

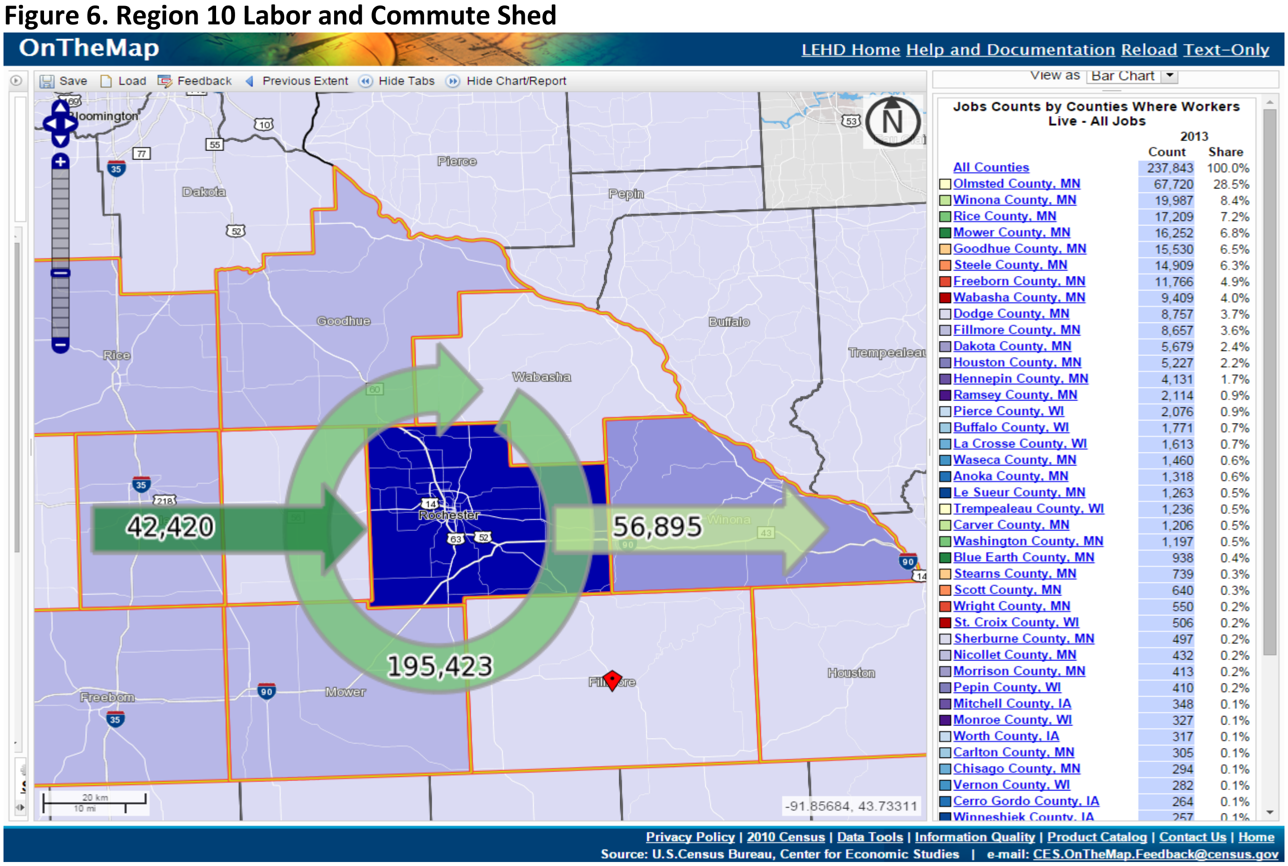
*Source: U.S. Census Bureau, OnTheMap*

Anchored by Rochester, Olmsted County is the largest employment center in the region and was the biggest draw for workers, followed by Winona, Rice, Steele, Mower, Goodhue, and Freeborn County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as several counties across the border in Wisconsin. In contrast, the region also sends workers out of the region, primarily to the Twin Cities, but also to La Crosse County in Wisconsin, and Blue Earth County and the Mankato/North Mankato metro area (see Table 6 and Figure 6).

| Table 6. Region 10 Commuting Data | |
|---|---|
| Counties outside the region that send the most workers into the region | Counties outside the region that the most workers from inside the region travel to |
| Dakota Co. MN | Hennepin Co. MN |
| Hennepin Co. MN | Dakota Co. MN |
| Ramsey Co. MN | Ramsey Co. MN |
| Pierce Co. WI | La Crosse Co. WI |
| Buffalo Co. WI | Blue Earth Co. MN |

*Source: U.S. Census Bureau, OnTheMap*

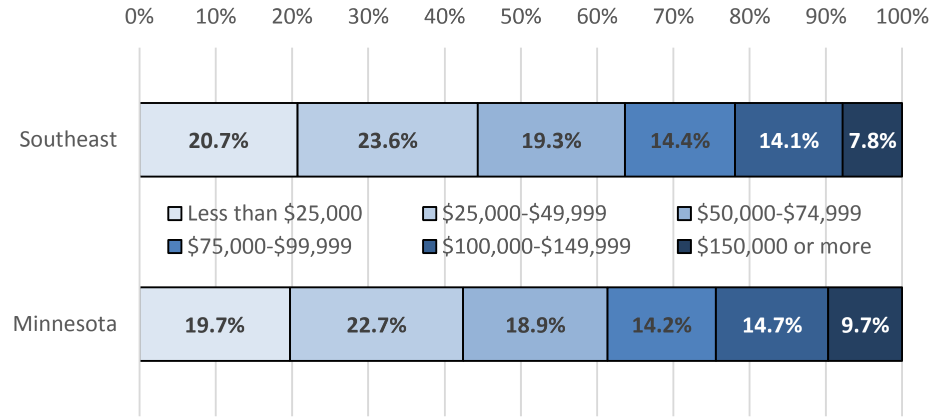
**Figure 6. Region 10 Labor and Commute Shed**



# INCOMES, WAGES AND OCCUPATIONS

## HOUSEHOLD INCOMES

Figure 7. Household Incomes, 2013



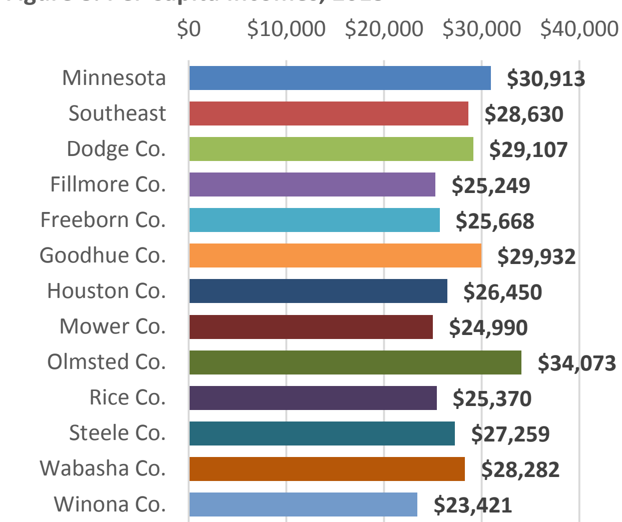

*Source: U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates*

Region 10 has very similar household income levels to the state, and had the highest income levels of any region outside the Twin Cities metro area. Median household incomes ranged from $44,683 in Freeborn County, which was the 10th lowest (of 87) in the state, to $66,252 in Olmsted and $69,301 in Dodge County, which were both among the 10 highest in the state. About 44.3 percent of the households in Region 10 had incomes below $50,000 in 2013, compared to 42.2% percent statewide. A little over one-third of households earned between $50,000 and $100,000 in the region. The remaining 21.9 percent of households in Region 10 earned over $100,000 per year, compared to nearly 25 percent of households statewide (see Figure 7).

## PER CAPITA INCOMES

There were a wide range of per capita incomes in the region, though Region 10's $28,630 per capita income was just slightly lower than the state at $30,913. Per capita incomes ranged from $23,421 in Winona County to $34,073 in Olmsted County (see Figure 8).

Figure 8. Per Capita Incomes, 2013




*Source: American Community Survey*

## COST OF LIVING

According to DEED's [Cost of Living tool](), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $50,988 in 2015. The cost of living for a similar family in Region 10 was $45,300 – which was fifth highest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; but the region's child care, housing, and tax costs were much lower than the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn $14.52 per hour.

**Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015**

| Region | Family Yearly Cost of Living | Hourly Wage Required | Monthly Costs: Child Care | Food | Health Care | Housing | Trans-portation | Other | Taxes |
|---|---|---|---|---|---|---|---|---|---|
| Region 10 | $45,300 | $14.52 | $285 | $761 | $396 | $794 | $987 | $218 | $334 |
| Minnesota | $50,988 | $16.34 | $443 | $772 | $405 | $907 | $1,039 | $235 | $448 |

*Source: DEED Cost of Living tool*

## WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Region 10 was $17.74 in the first quarter of 2015, which was the second highest wage level of the 13 EDRs in the state. Southeast's median hourly wage was about $1.00 below the state's median wage, and $2.75 below the Twin Cities metro area, which would amount to nearly $6,000 per year for a full-time worker (see Table 8).

| Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015 | Median Hourly Wage | Estimated Regional Employment |
|---|---|---|
| EDR 1 - Northwest | $16.39 | 36,130 |
| EDR 2 - Headwaters | $15.77 | 27,330 |
| EDR 3 - Arrowhead | $16.58 | 141,800 |
| EDR 4 - West Central | $15.66 | 83,540 |
| EDR 5 - North Central | $14.37 | 56,050 |
| EDR 6E - Southwest Central | $16.42 | 46,490 |
| EDR 6W - Upper MN Valley | $15.34 | 18,380 |
| EDR 7E - East Central | $16.43 | 44,580 |
| EDR 7W - Central | $16.80 | 172,200 |
| EDR 8 - Southwest | $14.79 | 53,380 |
| EDR 9 - South Central | $15.99 | 105,260 |
| **EDR 10 - Southeast** | **$17.74** | **253,990** |
| EDR 11 - 7-County Twin Cities | $20.49 | 1,691,650 |
| **State of Minnesota** | **$18.65** | **2,730,020** |

*Source: DEED Occupational Employment Statistics*

Twelve percent of Region 10's jobs are in healthcare practitioners, which is double the concentration found statewide. Southeast also has higher concentrations of life, physical, and social science occupations, healthcare support workers, and production workers than the state. Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 10 and the state is also much lower in these jobs (see Table 9).

**Table 9. Region 10 Occupational Employment Statistics, 1st Qtr. 2015**

| | Region 10 - Southeast | | | | State of Minnesota | | |
|---|---|---|---|---|---|---|---|
| | Median Hourly Wage | Estimated Regional Employment | *Share of Total Employment* | *Location Quotient* | Median Hourly Wage | Estimated Regional Employment | *Share of Total Employment* |
| **Total, All Occupations** | **$17.74** | **253,990** | ***100.0%*** | ***1.0*** | **$18.65** | **2,730,020** | ***100.0%*** |
| Office & Administrative Support | $16.15 | 36,170 | *14.2%* | *1.0* | $17.27 | 409,100 | *15.0%* |
| Healthcare Practitioners & Technical | $29.86 | 30,490 | *12.0%* | *2.0* | $31.54 | 160,390 | *5.9%* |
| Production | $16.33 | 27,210 | *10.7%* | *1.3* | $16.61 | 217,830 | *8.0%* |
| Sales & Related | $11.78 | 20,690 | *8.1%* | *0.8* | $13.24 | 270,540 | *9.9%* |
| Transportation & Material Moving | $15.25 | 16,310 | *6.4%* | *1.0* | $16.18 | 167,130 | *6.1%* |
| Healthcare Support | $13.81 | 13,660 | *5.4%* | *1.6* | $13.63 | 89,360 | *3.3%* |
| Business & Financial Operations | $27.31 | 9,900 | *3.9%* | *0.7* | $30.37 | 159,970 | *5.9%* |
| Computer & Mathematical | $38.92 | 9,220 | *3.6%* | *1.1* | $37.96 | 91,560 | *3.4%* |
| Food Preparation & Serving Related | $9.11 | 8,910 | *3.5%* | *0.4* | $9.21 | 228,640 | *8.4%* |
| Installation, Maintenance, & Repair | $20.32 | 8,370 | *3.3%* | *1.0* | $21.52 | 94,310 | *3.5%* |
| Building & Grounds Cleaning & Maint. | $12.15 | 7,410 | *2.9%* | *1.0* | $12.03 | 81,560 | *3.0%* |
| Personal Care & Service | $10.80 | 7,350 | *2.9%* | *0.7* | $11.11 | 120,000 | *4.4%* |
| Construction & Extraction | $22.61 | 6,170 | *2.4%* | *0.7* | $24.88 | 91,240 | *3.3%* |
| Protective Service | $21.19 | 4,120 | *1.6%* | *1.0* | $19.43 | 43,660 | *1.6%* |
| Architecture & Engineering | $33.32 | 3,760 | *1.5%* | *0.8* | $34.76 | 50,980 | *1.9%* |
| Life, Physical, & Social Science | $28.35 | 3,590 | *1.4%* | *1.6* | $30.29 | 24,410 | *0.9%* |
| Arts, Design, Entertainment, & Media | $20.76 | 3,090 | *1.2%* | *0.9* | $21.82 | 36,430 | *1.3%* |
| Legal | $27.18 | 850 | *0.3%* | *0.5* | $38.48 | 18,330 | *0.7%* |
| Farming, Fishing, & Forestry | $15.04 | 300 | *0.1%* | *0.9* | $14.41 | 3,570 | *0.1%* |
| Management | $41.44 | N/A | *N/A* | *N/A* | $47.47 | 165,730 | *6.1%* |
| Community & Social Service | $20.70 | N/A | *N/A* | *N/A* | $20.51 | 49,210 | *1.8%* |
| Education, Training, & Library | $21.59 | N/A | *N/A* | *N/A* | $22.72 | 156,090 | *5.7%* |

*Source: DEED Occupational Employment Statistics, Qtr. 1 2015*

In contrast, the highest paying jobs are found in management, computer and mathematical, architecture and engineering, life, physical and social science, business and financial operations, and legal, which all need higher levels of education and experience, including many that require bachelor's degrees or higher.

## JOB VACANCY SURVEY

Employers reported just over 11,122 job vacancies in the second quarter of 2015, which was the highest number ever reported, and nearly double the amount posted one year prior. Overall, 39 percent of openings were part-time, and 37 percent required postsecondary education. The median hourly wage offer was $13.83 (see Table 10).

**Table 10. Region 10 Job Vacancy Survey Results**

| | Number of Total Vacancies | Percent Part-time | Requiring Post-Secondary Education | Requiring 1 or More Years of Experience | Requiring Certificate or License | Median Hourly Wage Offer |
|---|---|---|---|---|---|---|
| **Total, All Occupations** | **11,122** | **39%** | **37%** | **44%** | **43%** | **$13.83** |
| Food Preparation & Serving Related | 1,745 | 54% | 0% | 36% | 2% | $9.56 |
| Transportation & Material Moving | 1,222 | 20% | 2% | 13% | 83% | $14.79 |
| Personal Care & Service | 1,020 | 58% | 35% | 37% | 62% | $11.01 |
| Office & Administrative Support | 979 | 36% | 41% | 52% | 13% | $13.56 |
| Sales & Related | 887 | 71% | 3% | 23% | 17% | $9.98 |
| Education, Training, & Library | 789 | 46% | 78% | 37% | 83% | $17.66 |
| Healthcare Practitioners & Technical | 691 | 50% | 95% | 62% | 92% | $22.93 |
| Computer & Mathematical | 556 | 1% | 90% | 96% | 39% | $39.31 |
| Production | 436 | 14% | 26% | 41% | 25% | $12.98 |
| Building & Grounds Cleaning & Maintenance | 424 | 48% | 2% | 22% | 34% | $9.94 |
| Construction & Extraction | 400 | 1% | 10% | 85% | 58% | $15.94 |
| Installation, Maintenance, & Repair | 397 | 14% | 60% | 47% | 41% | $19.54 |
| Healthcare Support | 364 | 65% | 73% | 24% | 88% | $14.52 |
| Business & Financial Operations | 337 | 11% | 94% | 87% | 14% | $17.00 |
| Arts, Design, Entertainment, Sports, & Media | 231 | 79% | 22% | 20% | 8% | $11.90 |
| Management | 212 | 1% | 92% | 95% | 14% | $40.26 |
| Community & Social Service | 173 | 12% | 97% | 79% | 45% | $13.97 |
| Architecture & Engineering | 91 | 8% | 76% | 78% | 54% | $24.01 |
| Protective Service | 79 | 87% | 5% | 12% | 33% | $8.00 |
| Life, Physical, & Social Science | 68 | 20% | 97% | 74% | 78% | $23.17 |
| Farming, Fishing, & Forestry | 13 | 24% | 8% | 12% | 9% | $9.95 |
| Legal | 7 | 0% | 100% | 53% | 79% | $16.16 |

*Source: DEED Job Vacancy Survey, Qtr. 4 2014*

## OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, 226 occupations are showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Almost 45 percent of the occupations in demand require a high school diploma or less, while the other half require some postsecondary training, a vocational award, an associate's degree, a bachelor's degree, or an advanced degree.

These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, registered nurses, nursing assistants, retail salespersons, LPN's and customer service representatives are the top five occupations based on the consistent need for workers in these industries. Seven of the top 25 jobs are in health care, 6 more are manufacturing-related, and 4 more are in customer service (see Table 11).

**Table 11. Region 10 Occupations in Demand by Education Level, 2014**

| Less than High School | High School or Equivalent | Some College or Assoc. Degree | Bachelor's Degree or Higher |
|---|---|---|---|
| Retail Salespersons ($22,709) | Customer Service Representatives ($29,870) | Registered Nurses ($62,216) | Medical and Health Services Managers ($102,026) |
| Stock Clerks and Order Fillers ($23,011) | Machinists ($42,475) | Nursing Assistants ($25,210) | Software Developers, Applications ($95,858) |
| Combined Food Preparation & Serving Workers ($18,290) | Tellers ($27,050) | Licensed Practical/Vocational Nurses ($41,355) | Nurse Practitioners ($102,949) |
| Slaughterers and Meat Packers ($27,900) | Social and Human Service Assistants ($30,322) | Massage Therapists ($47,803) | Software Developers, Systems ($105,017) |
| Cashiers ($19,596) | Maintenance and Repair Workers, General ($38747) | Heavy and Tractor-Trailer Truck Drivers ($42,225) | Financial Managers ($94,432) |
| Packers and Packagers, Hand ($20,544) | Medical Secretaries ($41,576) | Telecommunications Equip. Installers & Repair ($58,983) | Dentists, General ($157,397) |
| Home Health Aides ($22,887) | Office Clerks, General ($28,709) | First-Line Supervisors of Production and Operating Workers ($54,943) | Network and Computer Systems Administrators ($71,018) |
| Laborers and Freight Stock & Material Movers ($28, 106) | First-Line Supervisors of Food Preparation and Serving Workers ($26,814) | Computer User Support Specialists ($46,209) | Medical and Clinical Laboratory Technologists ($64,432) |
| Personal Care Aides ($22,253) | Veterinary Assistants and Lab. Animal Caretakers ($35,428) | Dental Assistants ($46,580) | Secondary School Teachers, Except Special and Career/Technical ($56,540) |
| Machine Feeders and Offbearers ($31,986) | First-Line Supervisors of Mechanics, Installers ($61,691) | Medical Assistants ($34,944) | Computer Systems Analysts ($64,309) |

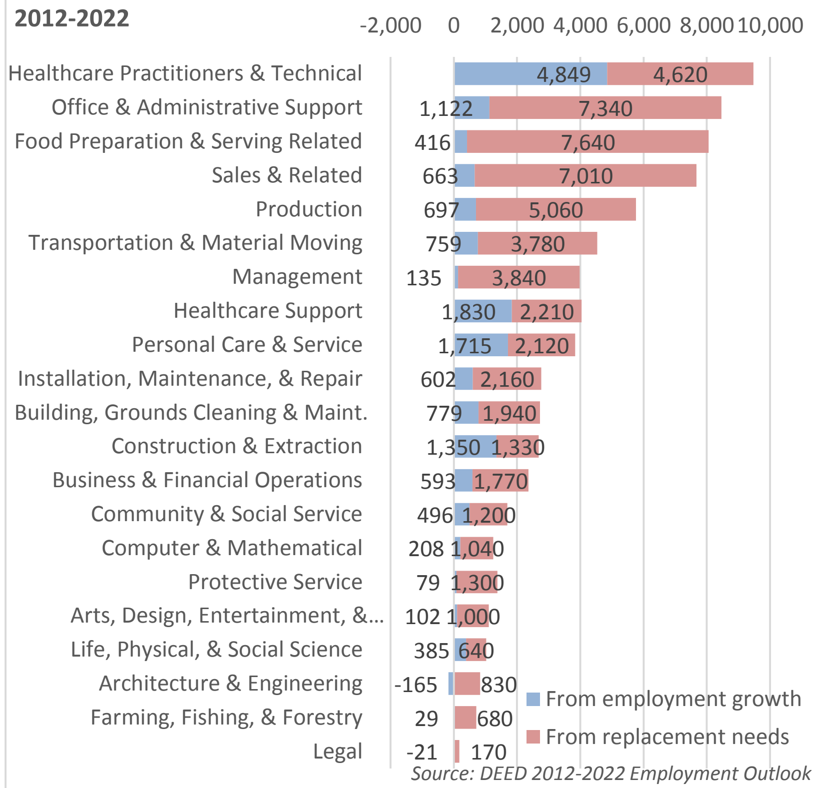
*Source: DEED Occupations in Demand*

## EMPLOYMENT PROJECTIONS

Southeast Minnesota is projected to grow 6.4 percent from 2012 to 2022, a gain of 16,909 new jobs. In addition, the region is also expected to need 60,750 replacement openings to fill jobs left vacant by retirements and other career changers. The number of replacement openings is expected to dwarf the number of new jobs in every group except for healthcare practitioners, healthcare support, personal care and service, and construction and extraction occupations (see Figure 9).

The highest amount of demand will be found in healthcare practitioners and technical, office and administrative support, food preparation & serving related, sales and related, production, and transportation and material moving occupations.

**Figure 9. Southeast Minnesota Employment Projections, 2012-2022**

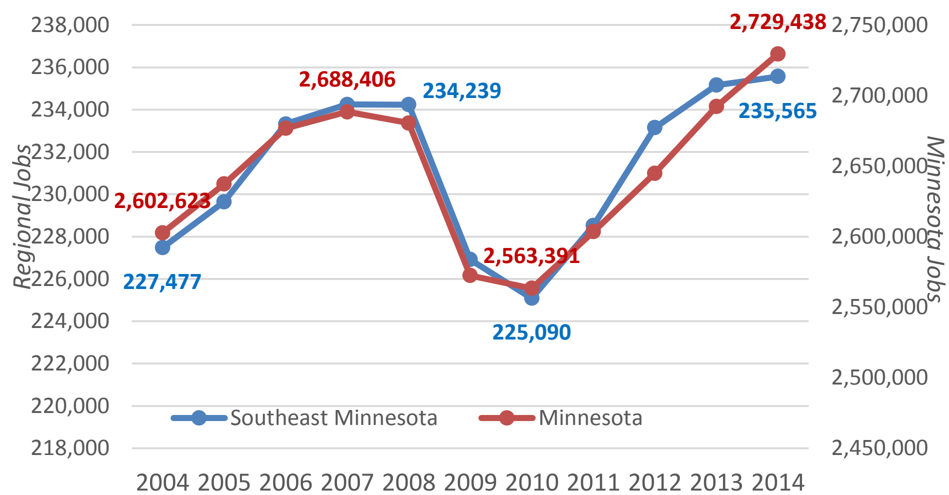


*Source: DEED 2012-2022 Employment Outlook*

# ECONOMY

## INDUSTRY EMPLOYMENT

Figure 10. Industry Employment Change, 2004-2014




Source: DEED Quarterly Census of Employment & Wages (QCEW)

Region 10 has seen employment ups and downs over the past decade, but ended 2014 with about 8,100 more jobs than it had in 2004. The region entered the recession later than the state, still experiencing job growth through 2008, before suffering severe declines in 2009 and 2010. Since then, Southeast Minnesota has recovered more slowly than the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 4.7 percent increase in the region. Region 10 reached a pre-recession peak of 234,239 jobs in 2008, then hit a low of 225,090 jobs in 2010, and like the state, finally recovered all of the jobs lost during the recession in 2013 (see Figure 10).

Olmsted County is the largest employment center in the region and the sixth largest in the state, with 92,349 jobs at 3,364 firms. Four other counties in the region have between 21,000 and 25,000 jobs, including Winona with 24,770 jobs, Rice with 23,310 jobs, Goodhue at 21,698 jobs, and Steele County with 21,620 jobs. Ten of the 11 counties in the region added jobs since 2010, led by Olmsted, Winona, and Steele County. In contrast, Freeborn County lost 41 jobs from 2010 to 2014. Just 6 of the 11 counties saw job gains in the past year, led by Rice, Dodge, and Steele County; while even Olmsted County saw job losses from 2013 to 2014 (see Table 12).

| Table 12. Region 10 Industry Employment Statistics, 2014 | | | | Average Annual Wage | 2010-2014 | | 2013-2014 | |
|---|---|---|---|---|---|---|---|---|
| Geography | Number of Firms | Number of Jobs | Total Payroll | | *Change in Jobs* | *Percent Change* | *Change in Jobs* | *Percent Change* |
| **Region 10** | **12,079** | **235,565** | **$10,603,927,424** | **$44,980** | ***+10,475*** | ***+4.7%*** | ***+408*** | ***+0.2%*** |
| Dodge Co. | 444 | 5,616 | $223,110,890 | $39,676 | *+485* | *+9.5%* | *+185* | *+3.4%* |
| Fillmore Co. | 642 | 6,003 | $184,518,365 | $30,680 | *+25* | *+0.4%* | *-42* | *-0.7%* |
| Freeborn Co. | 810 | 12,094 | $446,193,427 | $36,868 | *-41* | *-0.3%* | *-53* | *-0.4%* |
| Goodhue Co. | 1,335 | 21,698 | $914,392,284 | $42,120 | *+680* | *+3.2%* | *+4* | *0.0%* |
| Houston Co. | 429 | 4,930 | $148,390,177 | $30,056 | *+85* | *+1.8%* | *-66* | *-1.3%* |
| Mower Co. | 860 | 16,255 | $694,557,594 | $42,692 | *+148* | *+0.9%* | *-10* | *-0.1%* |
| Olmsted Co. | 3,364 | 92,349 | $5,028,626,013 | $54,444 | *+5,158* | *+5.9%* | *-92* | *-0.1%* |
| Rice Co. | 1,490 | 23,310 | $947,511,771 | $40,612 | *+966* | *+4.3%* | *+311* | *+1.4%* |
| Steele Co. | 935 | 21,620 | $848,941,638 | $39,312 | *+1,348* | *+6.6%* | *+100* | *+0.5%* |
| Wabasha Co. | 606 | 6,920 | $234,211,594 | $33,852 | *+264* | *+4.0%* | *+19* | *+0.3%* |
| Winona Co. | 1,165 | 24,770 | $933,473,671 | $37,648 | *+1,359* | *+5.8%* | *+55* | *+0.2%* |
| **State of Minnesota** | **164,409** | **2,729,438** | **$140,857,248,755** | **$51,584** | ***+166,047*** | ***+6.5%*** | ***+37,321*** | ***+1.4%*** |

*Source: DEED Quarterly Census of Employment & Wages (QCEW)*

With 59,543 jobs at 1,027 firms, health care and social assistance is the largest employing industry in Region 10, accounting for 25.3 percent of total jobs in the region. That is over 8.5 percent higher than the state's concentration of employment in health care and social services. In addition, Southeast is still adding health care and social assistance jobs, gaining 1,891 jobs since 2010, a 3.3 percent increase, though the region saw a decline in health care jobs in the past year. At $60,788 in 2014, average annual wages were nearly $16,000 higher in health care and social assistance than all industries.

The next largest industry in Region 10 was manufacturing, with 37,151 jobs at 660 firms, which was also more concentrated in Southeast than the state as a whole. After losing jobs during the recession, manufacturing has gained 1,753 jobs over the past five years, a 5.0 percent increase.

Retail trade is the third largest industry, with 26,705 jobs at 1,798 establishments. Wages are relatively low in retail trade, and the region suffered job declines over the past year. In contrast, the accommodation and food services industry had 18,375 jobs at 1,087 establishments after gaining 1,566 jobs since 2010.

Other important industries in Region 10 include educational services, public administration, administrative support and waste management and remediation services, construction, transportation and warehousing, wholesale trade, and other services. Sixteen of the 20 main industries added jobs from 2010 to 2014, with huge gains in administrative support and waste management – which includes temporary staffing agencies, health care and social assistance, manufacturing, accommodation and food services, transportation and warehousing, educational services, and construction. Job growth was not as widespread in the past year, with just 10 of the 20 industries adding jobs between 2013 and 2014 (see Table 13).

**Table 13. Region 10 Industry Employment Statistics, 2014**

| | 2014 Annual Data | | | | Avg. | *2010-2014* | | *2013-2014* | |
|---|---|---|---|---|---|---|---|---|---|
| NAICS Industry Title | Number of Firms | Number of Jobs | *Percent of Jobs* | Total Payroll | Annual Wage | *Change in Jobs* | *Percent Change* | *Change in Jobs* | *Percent Change* |
| **Total, All Industries** | **12,079** | **235,565** | ***100.0%*** | **$10,603,927,424** | **$44,980** | ***+10,475*** | ***+4.7%*** | ***+408*** | ***+0.2%*** |
| Health Care & Social Assistance | 1,027 | 59,543 | *25.3%* | $3,619,822,484 | $60,788 | *+1,891* | *+3.3%* | *-584* | *-1.0%* |
| Manufacturing | 660 | 37,151 | *15.8%* | $1,988,085,228 | $53,508 | *+1,753* | *+5.0%* | *+523* | *+1.4%* |
| Retail Trade | 1,798 | 26,705 | *11.3%* | $629,261,967 | $23,556 | *+233* | *+0.9%* | *-421* | *-1.6%* |
| Educational Services | 251 | 19,148 | *8.1%* | $793,391,837 | $41,548 | *+790* | *+4.3%* | *+354* | *+1.9%* |
| Accommodation & Food Services | 1,087 | 18,375 | *7.8%* | $257,077,168 | $13,936 | *+1,566* | *+9.3%* | *+144* | *+0.8%* |
| Public Administration | 349 | 10,355 | *4.4%* | $489,674,683 | $47,320 | *-165* | *-1.6%* | *+127* | *+1.2%* |
| Admin. Support & Waste Mgmt. | 462 | 9,323 | *4.0%* | $220,689,240 | $23,660 | *+2,068* | *+28.5%* | *-90* | *-1.0%* |
| Construction | 1,444 | 8,518 | *3.6%* | $418,527,733 | $48,932 | *+761* | *+9.8%* | *+287* | *+3.5%* |
| Transportation & Warehousing | 584 | 7,508 | *3.2%* | $288,466,885 | $38,376 | *+880* | *+13.3%* | *+185* | *+2.5%* |
| Wholesale Trade | 537 | 6,655 | *2.8%* | $382,642,572 | $57,460 | *+245* | *+3.8%* | *-193* | *-2.8%* |
| Other Services | 1,232 | 6,475 | *2.7%* | $146,162,857 | $22,568 | *+32* | *+0.5%* | *+106* | *+1.7%* |
| Finance & Insurance | 662 | 5,846 | *2.5%* | $380,502,064 | $65,052 | *-518* | *-8.1%* | *-110* | *-1.8%* |
| Professional & Technical Services | 747 | 3,716 | *1.6%* | $180,618,718 | $48,620 | *+182* | *+5.1%* | *-157* | *-4.1%* |
| Information | 182 | 3,628 | *1.5%* | $174,377,146 | $48,048 | *N/A* | *N/A* | *+185* | *+5.4%* |
| Arts, Entertainment & Recreation | 219 | 3,514 | *1.5%* | $77,508,444 | $22,100 | *-421* | *-10.7%* | *-14* | *-0.4%* |
| Agriculture, Forestry, Fish & Hunt | 368 | 2,989 | *1.3%* | $89,824,534 | $29,952 | *+421* | *+16.4%* | *-20* | *-0.7%* |
| Management of Companies | 55 | 2,934 | *1.2%* | $254,518,179 | $86,632 | *+321* | *+12.3%* | *+101* | *+3.6%* |
| Real Estate, Rental & Leasing | 351 | 1,541 | *0.7%* | $43,075,088 | $27,924 | *+57* | *+3.8%* | *-13* | *-0.8%* |
| Utilities | 51 | 1,505 | *0.6%* | $163,408,049 | $108,628 | *+40* | *+2.7%* | *-7* | *-0.5%* |
| Mining | 17 | 133 | *0.1%* | $6,292,548 | $45,864 | *+11* | *+9.0%* | *+7* | *+5.6%* |

*Source: DEED Quarterly Census of Employment & Wages (QCEW)*

## DISTINGUISHING INDUSTRIES

In addition to health care and manufacturing, Region 10 has a broader list of industry sectors that are more prevalent in the region than the state. Several unique industries have a strong presence in Southeast Minnesota with location quotients over 2.5, including broadcasting (except internet), textile product mills, nonmetallic mineral product manufacturing, and food manufacturing (see Table 14).

**Table 14. Region 10 Distinguishing Industries, 2014**

| NAICS Industry Title | NAICS Code | Number of Firms | Number of Jobs | Total Payroll | Avg. Annual Wages | Location Quotient |
|---|---|---|---|---|---|---|
| **Total, All Industries** | **0** | **12,079** | **235,565** | **$10,603,927,424** | **$44,980** | **1.0** |
| Broadcasting (except Internet) | 515 | 40 | 1,455 | $60,017,975 | $41,184 | 3.0 |
| Textile Product Mills | 314 | 12 | 641 | $30,852,351 | $48,152 | 3.0 |
| Nonmetallic Mineral Product Manufacturing | 327 | 45 | 2,267 | $116,421,110 | $51,376 | 2.9 |
| Food Manufacturing | 311 | 108 | 10,312 | $475,223,035 | $46,072 | 2.6 |
| Ambulatory Health Care Services | 621 | 479 | 28,678 | $2,390,321,360 | $83,304 | 2.4 |
| Animal Production & Aquaculture | 112 | 200 | 2,069 | $62,839,198 | $30,316 | 2.3 |
| Warehousing and Storage | 493 | 21 | 925 | $43,363,608 | $46,852 | 1.6 |
| Furniture & Related Product Manufacturing | 337 | 45 | 1,291 | $61,631,908 | $47,736 | 1.6 |
| Gasoline Stations | 447 | 210 | 3,035 | $55,199,917 | $18,148 | 1.5 |
| Support Activities for Agriculture & Forestry | 115 | 63 | 270 | $7,319,251 | $27,144 | 1.4 |

*Source: DEED Quarterly Census of Employment & Wages (QCEW)*

## INDUSTRY PROJECTIONS

As noted above, Southeast Minnesota's economy is projected to grow 6.4 percent from 2012 to 2022, a gain of 16,909 new jobs.

The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 80 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see notable employment growth in construction, administrative support and waste management services, retail trade, professional and technical services, transportation and warehousing, and accommodation and food services. In contrast, the region is expected to see declines in manufacturing employment, as well as smaller but still significant declines in information, utilities, and wholesale trade (see Table 15).

**Table 15. Southeast Minnesota Industry Projections, 2012-2022**

| Industry | Estimated Employment 2012 | Projected Employment 2022 | Percent Change 2012-2022 | Numeric Change 2012-2022 |
|---|---|---|---|---|
| **Total, All Industries** | **262,725** | **279,634** | **+6.4%** | **+16,909** |
| Health Care & Social Assistance | 58,543 | 72,368 | +23.6% | +13,825 |
| Manufacturing | 36,591 | 35,739 | -2.3% | -852 |
| Retail Trade | 26,714 | 27,571 | +3.2% | +857 |
| Accommodation & Food Services | 17,948 | 18,209 | +1.5% | +261 |
| Admin. Support & Waste Mgmt. | 9,219 | 10,428 | +13.1% | +1,209 |
| Other Services | 9,593 | 9,649 | +0.6% | +56 |
| Construction | 7,561 | 9,375 | +24.0% | +1,814 |
| Wholesale Trade | 7,149 | 7,035 | -1.6% | -114 |
| Transportation & Warehousing | 6,272 | 6,683 | +6.6% | +411 |
| Finance & Insurance | 6,128 | 6,140 | +0.2% | +12 |
| Educational Services | 5,138 | 5,263 | +2.4% | +125 |
| Professional & Technical Services | 3,939 | 4,403 | +11.8% | +464 |
| Arts, Entertainment & Recreation | 3,867 | 4,012 | +3.7% | +145 |
| Agriculture, Forestry, Fish & Hunt | 3,226 | 3,371 | +4.5% | +145 |
| Information | 3,456 | 3,104 | -10.2% | -352 |
| Management of Companies | 2,801 | 2,839 | +1.4% | +38 |
| Real Estate, Rental & Leasing | 1,577 | 1,733 | +9.9% | +156 |
| Utilities | 1,313 | 1,202 | -8.5% | -111 |
| Mining | 118 | 113 | -4.2% | -5 |

*Source: DEED 2012-2022 Employment Outlook*

## EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 10 were small businesses, with 52.8 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 33.9 percent had between 5 and 19 employees; with just 622 of the 12,199 businesses in the region having 50 or more employees. Just 31 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Small businesses are vital to the region's economy (see Table 16).

**Table 16. Employers by Size Class, 2013**

| | Region 10 | | Minnesota |
|---|---|---|---|
| Number of Employees | Number of Firms | Percent of Firms | Percent of Firms |
| 1-4 | 6,443 | 52.8% | 54.2% |
| 5-9 | 2,403 | 19.7% | 17.7% |
| 10-19 | 1,729 | 14.2% | 13.4% |
| 20-49 | 1,002 | 8.2% | 8.9% |
| 50-99 | 340 | 2.8% | 3.2% |
| 100-249 | 194 | 1.6% | 1.9% |
| 250-499 | 57 | 0.5% | 0.5% |
| 500-999 | 17 | 0.1% | 0.2% |
| 1,000 or more | 14 | 0.1% | 0.1% |
| **Total Firms** | **12,199** | **100.0%** | **100.0%** |

*Source: U.S. Census, County Business Patterns*

## NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 10 was home to 31,533 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Much like covered employment, Southeast has seen a slow but steady increase in nonemployers over the past decade, though only 5 of the 11 counties saw an increase. In sum, the region gained 1,749 new nonemployers from 2003 to 2013, a 5.9 percent rise. These nonemployers generated sales receipts of over $1.3 billion in 2013 (see Table 17).

**Table 17. Nonemployer Statistics, 2013**

| | 2013 | | *2003-2013* | |
|---|---|---|---|---|
| | Number of Firms | Receipts ($1,000s) | *Change in Firms* | *Percent Change* |
| **Region 10** | **31,533** | **$1,324,598** | ***+1,749*** | ***+5.9%*** |
| Dodge Co. | 1,344 | $69,166 | *+58* | *+4.5%* |
| Fillmore Co. | 1,700 | $68,007 | *+1* | *+0.1%* |
| Freeborn Co. | 1,851 | $77,686 | *-38* | *-2.0%* |
| Goodhue Co. | 2,996 | $129,374 | *-7* | *-0.2%* |
| Houston Co. | 1,410 | $63,758 | *-13* | *-0.9%* |
| Mower Co. | 1,945 | $85,340 | *-156* | *-7.4%* |
| Olmsted Co. | 9,421 | $400,962 | *+1,391* | *+17.3%* |
| Rice Co. | 4,149 | $162,004 | *+535* | *+14.8%* |
| Steele Co. | 2,359 | $89,727 | *-10* | *-0.4%* |
| Wabasha Co. | 1,517 | $67,493 | *-182* | *-10.7%* |
| Winona Co. | 2,841 | $111,081 | *+170* | *+6.4%* |
| **State of Minnesota** | **388,900** | **$17,268,230** | ***+40,173*** | ***+11.5%*** |

*Source: U.S. Census, Nonemployer Statistics program*

## CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 10 is agriculture, with 12,079 farms producing almost $3.4 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 10 had 16.2 percent of the state's farms, and 15.9 percent of the state's total market value, led by Mower, Goodhue, and Freeborn County, which were all among the top 14 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 61.3 percent increase in the market value of products sold as many farms got bigger and commodity prices went up (see Table 18).

**Table 18. Census of Agriculture, 2012**

| | Number of Farms | Market Value of Products Sold | *State Rank* | *Change in Market Value, 2007-2012* |
|---|---|---|---|---|
| **Region 10** | **12,079** | **$3,392,056,000** | | ***+61.3%*** |
| Dodge Co. | 621 | $288,129,000 | *36* | *+66.6%* |
| Fillmore Co. | 1,553 | $342,205,000 | *25* | *+53.4%* |
| Freeborn Co. | 1,122 | $416,020,000 | *14* | *+62.4%* |
| Goodhue Co. | 1,536 | $435,687,000 | *12* | *+65.1%* |
| Houston Co. | 920 | $146,256,000 | *57* | *+60.7%* |
| Mower Co. | 1,053 | $475,801,000 | *10* | *+65.4%* |
| Olmsted Co. | 1,150 | $250,093,000 | *42* | *+61.4%* |
| Rice Co. | 1,304 | $231,589,000 | *47* | *+68.8%* |
| Steele Co. | 796 | $293,053,000 | *34* | *+58.6%* |
| Wabasha Co. | 909 | $231,196,000 | *48* | *+60.3%* |
| Winona Co. | 1,115 | $282,027,000 | *37* | *+50.7%* |
| **State of Minnesota** | **74,542** | **$21,280,184,000** | | ***+61.5%*** |

*Source: 2012 Census of Agriculture*